

August 2, 2004

Dear BSAI Crab Buyback Qualifying Bidders:

These are the voting results of our having readministered the industry fee system referendum following the bid offers you submitted to us in response to the BSAI crab buyback's invitation to bid which we mailed to you on February 27, 2004:

TOTAL NUMBER OF QUALIFYING VOTERS	NUMBER OF RESPONSIVE <sup>1</sup> BALLOTS RETURNED AS OF 5:00 P.M. ON JULY 30,2004			MINIMUM "FOR" VOTES WHICH 50 CFR 600.1010(a) REQUIRED FOR A SUCCESSFUL REFERENDUM
	Total	"For" Industry Fee System	"Against" Industry Fee System	
317	236	109	127	158 <sup>2</sup>

Only 74% of the qualifying voters cast responsive votes in the readministered referendum.

The 109 responsive votes cast in favor of the industry fee system didn't constitute a two-thirds majority of the 236 responsive votes cast.

The readministered referendum was, consequently, unsuccessful.

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<sup>1</sup>In addition to the 236 responsive votes, the readministered referendum voters also returned 7 unresponsive (unsigned) ballots. Of these, 2 were marked for the industry fee system, 4 were marked against it, and 1 was marked neither for nor against.

<sup>2</sup>This is the amount of "for" votes which would have been required for the "for" votes to constitute a two-thirds majority of the 236 responsive votes actually cast.

This terminates your bid offers submitted in response to the invitation to bid which we mailed to you on February 27, 2004.

*Accordingly, this letter is our official notice to you that the United States of America and all bidders are hereby excused from any obligation arising out of the irrevocable bid offers submitted to us in response to the invitation to bid which we mailed to you on February 27, 2004, and/or arising out of any reduction contracts which may have been formed from such bid offers.*

Because of the special circumstances involved during the first referendum, however, we have decided to re-invite bids and hold a second referendum based on the new bidding results.

We believe we need to complete this process before the end of this calendar year.

Consequently, our schedule for this second phase of the BSAI crab buyback is:

1. **August 6, 2004:**

1. We mail second invitation to bid and bidding package to all qualifying bidders,
2. Bidding opens immediately, and
3. Each qualifying bidder may bid as soon as he/she receives the bid invitation and bidding packages;

2. **September 24, 2004.** Bidding closes (in other words, we must have received completed bids no later than this date);

3. **October 1, 2004:**

1. We mail second referendum ballots and results of second bidding to all qualifying voters,
2. Voting opens immediately, and
3. Each qualifying voter may vote as soon as he/she receives the ballot and bidding results information;

4. **November 15, 2004.** Voting closes (in other words, we must have received completed ballots no later than this date);

5. **November 22, 2004.** If the second referendum is successful, we publish a reduction payment tender notice in the Federal Register; and
6. **December 22, 2004.** We tender reduction payments to accepted bidders and they cease all fishing with their relinquished licenses.

This schedule will allow us to work around the Bristol Bay Red king crab season and, should the second referendum be successful, conclude the buyback process before the 2005 opilio crab season opens.

We hope this advance notice will enable you to arrange to be in a position both to receive your bidding and voting packages at the times the schedule above indicates and subsequently bid and vote accordingly.

*If you intend to bid in the second round of bidding, please look for your bid packages to arrive at your crab license addresses of record within a few days after we mail the bid packages on August 6, 2004. Be prepared to bid promptly, because we must receive your completed bids in our office here not later than September 24, 2004.*

Please do not hesitate to contact us if you need further information:

PERSON	NUMBERS/ADDRESS	
	TELEPHONE (301) 713-2390	E-MAIL ADDRESS
Mike Sturtevant	Extension 212	michael.a.sturtevant@noaa.gov
Shawn Barry	Extension 186	shawn.barry@noaa.gov
Mike Grable	Extension 185	michael.grable@noaa.gov

We appreciate your past participation in the buyback program, and look forward to your continuing participation.

Sincerely,

Michael L. Grable, Chief  
Financial Services Division